

BEFORE THE
ILLINOIS COMMERCE COMMISSION

DIRECT TESTIMONY OF
REBECCA A. SUTHERLAND
ON BEHALF OF
AT&T ILLINOIS

November 12, 2007

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A.**Rebecca A. Sutherland. I work at 45 Erieview Plaza, 12th floor, Cleveland, Ohio
3 44114.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 **A.**I am employed by AT&T as an Associate Director for Consumer Affairs in the
6 AT&T Midwest Consumer Markets Organization.¹

7 **Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE.**

8 **A.**I have worked for AT&T or its predecessor companies for 26 years. I started
9 working for AT&T in 1981 as a Service Representative. My responsibilities
10 included handling incoming calls from residential customers which included
11 placing orders and resolving customer related issues. In April, 1999 I was
12 promoted to Assistant Manager. As an Assistant Manager, I had responsibility for
13 resolving customer complaints. In May, 2000 I was promoted to Process Support
14 Manager. As a Process Support Manager, I had responsibility for writing and
15 implementing methods and procedures for the AT&T Ohio Customer Service
16 Center. In October, 2003 I was promoted to Associate Director of Consumer
17 Affairs. My current responsibilities include serving as a liaison between the
18 AT&T Midwest Consumer Markets Organization and the company's State and
19 Federal Regulatory personnel.

20

¹ By the term "AT&T Midwest Consumer Markets Organization," I am referring collectively to Illinois Bell Telephone Company; Indiana Bell Telephone Company; Michigan Bell Telephone Company; The Ohio Bell Telephone Company; and Wisconsin Bell, Inc.

1 **Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES AS THEY**
2 **RELATE TO THE SALE OF AT&T LOCAL AND TOLL SERVICES TO**
3 **THE MASS MARKET?**

4 **A.** In my current position, I develop and edit training materials, methods and
5 procedures, job aids and other documents for customer service representatives in
6 the AT&T Midwest call centers, to ensure that AT&T maintains compliance with
7 Midwest state and federal legal requirements as they apply to Consumer Markets.
8 I am also responsible for providing customer service representatives with
9 information about disclosure requirements to ensure that we provide new and
10 existing customers with all necessary information required by law. I periodically
11 monitor customer calls and review customer feedback to ensure our customer
12 representatives are compliant to the Methods and Procedures. I also have
13 responsibility, with input from the AT&T legal department, for reviewing any
14 new material that would be utilized by service representatives to ensure the
15 language in the material is compliant and that it provides the necessary
16 information to the customer.

17 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

18 **A.** The Federal Communications Commission (“FCC”), on August 31, 2007, granted
19 AT&T, Inc.’s petition for forbearance from application of the federal Equal
20 Access Scripting Requirement (“EA Scripting Requirement”),² which requires
21 local exchange carriers (“LECs”) to provide equal access disclosure requirements
22 to mass market and small business customers that want to subscribe to long

²Petition of AT&T Inc. for Forbearance Under 47 U.S.C. §160(c) with Regard to Certain Dominant Carrier Regulations for In-Region, Interexchange Services, Report and Order and memorandum Opinion and Order, WC Docket Nos. 02-112, 06-120, August 31, 2007 at ¶¶ 117-127 (hereinafter “FCC Long Distance Order”).

1 distance (interLATA) toll service. This Commission has imposed an EA scripting
2 requirement for local toll (intraLATA) service, 83 Ill. Admin. Code § 773.140(b),
3 that mirrors the federal EA scripting requirement for interLATA toll service. The
4 purpose of my testimony is to explain why the Commission should approve, for
5 AT&T Illinois, a waiver of Section 773.140(b).

6 **Q. WHY SHOULD THE COMMISSION GRANT A WAIVER OF SECTION**
7 **773.140?**

8
9 **A.** There are several reasons why a waiver of Section 773.140(b) should be granted.
10 First, continued application of the EA scripting requirements for intraLATA toll,
11 in light of the forbearance of EA scripting requirements for interLATA toll
12 service, will only serve to confuse and frustrate customers. Second, changes in
13 the telecommunications market have greatly reduced the relevance of the Illinois
14 EA scripting requirement.

15 **Q. WHAT IS THE CURRENT EQUAL ACCESS SCRIPTING**
16 **REQUIREMENT FOR ILLINOIS?**

17
18 **A.** The relevant provision of 83 Ill. Admin. Code § 773.140(b), states:

19 (b) On an incoming call from a new customer requesting network access
20 service, the company representative shall inform the customer that he has
21 a choice of long distance providers and that different providers can be
22 chosen for local toll (intraLATA) and long distance service (interLATA).
23

24 **Q. IS AT&T ILLINOIS REQUESTING A WAIVER OF THE EQUAL**
25 **ACCESS SCRIPTING REQUIREMENT FOR BOTH BUSINESS AND**
26 **CONSUMER CUSTOMERS?**

27
28 **A.** Yes. Part 773.140(b) applies to consumer customers and to business customers
29 with 20 lines or less. AT&T Illinois' waiver request applies to both groups of
30 customers.

1
2 **Q. WHAT WAS THE PURPOSE FOR THE EQUAL ACCESS SCRIPTING**
3 **REQUIREMENT?**
4

5 **A.** After the break-up of the Bell System in the early 1980's, the post-divestiture
6 AT&T Corp. was the predominant long-distance carrier, and competing carriers
7 had not yet had much opportunity to promote their ability to provide long-distance
8 services. Competition for toll service was a new concept at the time, and some
9 customers may not have been aware that they had a choice of carriers. To spur
10 competition and consumer choice, the FCC mandated a requirement of "equal
11 access" by the customer to any carrier and "equal access" by a carrier to any
12 customer. Because the local telephone service provider was usually a customer's
13 initial point of contact for telecommunications service, the FCC imposed the EA
14 Scripting Requirement on local carriers to ensure that customers understood that
15 they had options for LD services.

16 Illinois adopted a similar EA scripting requirement in 1995 as part of the
17 introduction of presubscription, and dialing parity, for intraLATA toll calling.
18 With presubscription, a customer could designate a particular carrier for toll calls
19 and make toll calls by only dialing "1" plus the number of the party being called
20 (as opposed to having to dial an access number or code to obtain service from the
21 customer's desired toll carrier).

22
23 **Q. HOW HAVE MARKET CONDITIONS CHANGED SINCE THE**
24 **ADOPTION OF THE FEDERAL AND STATE REQUIREMENTS?**
25

26 **A.** The market for telecommunications services, in general, and toll service, in
27 particular, has changed drastically in the last 20 years. First, Illinois customers

1 have choices that they did not have before, with regard both to service providers
2 and to types of service. Second, customers are very much aware that they have a
3 variety of choices to meet their telecommunications needs. Third, the market
4 changes have led customers to think differently about how they purchase
5 telecommunications services. Finally, these various changes have had a
6 substantial impact on the stand-alone long-distance market – the market that was
7 the FCC’s focus when it adopted the EA scripting requirement.

8 **Q. PLEASE EXPLAIN YOUR ANSWER, STARTING WITH YOUR**
9 **STATEMENT THAT ILLINOIS CUSTOMERS TODAY HAVE GREATER**
10 **NUMBER OF CHOICES FOR SERVICE.**
11

12 **A.** There are many options for toll calling available for the customer who chooses
13 traditional wireline telephone service. For example, a customer living in Chicago
14 today can obtain local service from AT&T Illinois and choose from
15 approximately 68 other companies for long distance (“LD”) or local toll service.
16 Or the customer could subscribe to a bundle of services that includes local service
17 from AT&T Illinois and toll service from AT&T Long Distance. The customer
18 also could subscribe only to local wireline service and use calling cards or
19 operator services to place LD/Local Toll calls. Moreover, some people might
20 choose alternatives to traditional wireline service – such as wireless, cable or
21 VoIP – for some or all of their telecommunications needs. And these choices –
22 for wireline service or some alternative – are available to both consumer and
23 business customers.

24 **Q. PLEASE EXPLAIN YOUR STATEMENT THAT CUSTOMERS ARE**
25 **MORE AWARE TODAY OF THEIR TELECOMMUNICATIONS**
26 **CHOICES.**

1
2 A. Telecommunications companies, including AT&T, have saturated the airwaves,
3 internet and postal system with advertising on what they have to offer. These
4 companies use television, radio, billboards, newspapers, magazines, direct mail,
5 telemarketing, email, the internet, door to door campaigns, and a host of other
6 media to reach potential consumer and business customers. This extensive
7 advertising has made today's customers more educated and aware that they have
8 choices in all aspects of telecommunications products and services.

9
10 Q. PLEASE EXPLAIN YOUR STATEMENT THAT CUSTOMERS THINK
11 DIFFERENTLY NOW ABOUT HOW THEY PURCHASE
12 TELECOMMUNICATION SERVICES.
13

14 A. In today's telecommunications market, the boundaries between the different
15 services offered have eroded. Customers can purchase "all you can eat" bundles
16 from most telecommunications companies that include local, interLATA, and
17 intraLATA calling at a set price. And these bundles frequently package local and
18 toll service together with other products and services, such as wireless or internet
19 service, at a significant discount for customers. Such bundling has blurred the
20 lines between formerly separate products and made customers think of their
21 telecommunications services as a single product. In other words, customers today
22 have moved past choices for LD to choices for overall telephone service – and
23 they expect one company to handle their telecommunications needs.

24 Moreover, increased customer knowledge and the focus on product bundles also
25 have altered the flow of the conversation between the customer and the service
26 representative. Discussions with customers frequently begin by discussing the

1 availability of the bundles and packages that the customers have seen on
2 television or in some other form of advertisement. Today the conversation with
3 the customer is more likely to focus on how to bundle the various
4 telecommunications services the customer desires into the most attractive and
5 cost-effective package.

6

7 **Q. PLEASE EXPLAIN WHAT THESE DEVELOPMENTS HAVE MEANT**
8 **FOR THE STAND-ALONE LONG DISTANCE MARKET.**

9

10 **A.** Given the bundling of local and toll service, stand-alone long distance service is
11 not prominent in today's market. Instead, providers of long distance service
12 extensively advertise the benefits of bundling that service with local telephone
13 service, wireless, internet and even television programming. Indeed the FCC
14 found in its recent forbearance order that "the stand-alone long distance market is
15 becoming a fringe market" because of the availability of service bundles from
16 various carriers that include both local and toll service, and of buckets of "any
17 distance" minutes that can be used either for local or long distance calling.³
18 Customers who choose to purchase toll service separate from local service also
19 can meet their needs by using prepaid calling cards.

20

21 **Q. PLEASE ADDRESS THE CRITERIA THE COMMISSION NEEDS TO**
22 **CONSIDER IN DETERMINING WHETHER TO GRANT A WAIVER OF**
23 **THE PROVISIONS FOUND IN PART 773 OF THE ADMINISTRATIVE**
24 **CODE.**

25

26 **A.** Under Section 13-513 of the Public Utilities Act, the Commission has the
27 authority to waive the application of its rules upon a showing that the waiver

³ FCC Long Distance Order, ¶121.

1 would neither harm consumers nor impede the development or operation of a
2 competitive market.

3
4 **Q. PLEASE ADDRESS THE ISSUE OF WHETHER CONSUMERS WOULD**
5 **BE HARMED BY THE WAIVER.**

6
7 **A.** Customers would not be harmed by elimination of the EA scripting requirement
8 and, in fact, many customers would benefit. First, eliminating the requirement
9 would save customers' time. As I mentioned previously, customers today are
10 quite educated on their telecommunications choices, and most customers know,
11 before they call AT&T Illinois, which carrier they want to select for their local
12 and toll service. As a result, it is no longer necessary for customers to rely on
13 AT&T to identify their carrier options. Listing such options simply increases the
14 length of the call by providing information the customer has no need to hear.
15 In fact, on the rare occasion that a customer does respond to the service
16 representative's recitation of the EA scripting requirement by asking us to read
17 the list of available carriers, the customer is overwhelmed by the number of
18 choices and stops us long before we reach the end of the list. Wasting customers'
19 time is annoying for them and detrimental to AT&T's goal of creating an
20 excellent customer experience.

21 Second, elimination of Illinois' intraLATA EA scripting requirement
22 would eliminate a potential source of customer confusion. It could be misleading
23 to inform customers that they have a choice of carriers for the provision of
24 intraLATA LD service, pursuant to Section 773.140(b), while saying nothing
25 about the choice of carriers they have for interLATA long distance service. A

1 customer might infer from such silence that he or she has no choice with respect
2 to interLATA long distance service. That inference would be incorrect and could
3 lead to customer confusion. But if AT&T Illinois attempted to head off that
4 confusion and informed the customer that he or she also has a choice with respect
5 to interLATA long distance service, providing such information would defeat the
6 FCC's policy decision to do away with the scripting requirement.⁴

7
8 **Q. PLEASE DISCUSS THE ISSUE OF WHETHER GRANTING AT&T**
9 **ILLINOIS' WAIVER REQUEST WOULD IMPEDE THE**
10 **DEVELOPMENT OR OPERATION OF A COMPETITIVE MARKET.**

11
12 **A.** The FCC required EA scripting when competition for toll services was first
13 introduced in order to promote and protect competition in the stand-alone long
14 distance market. The FCC recently concluded that competition in that market has
15 largely been replaced by competition among the service bundles that have
16 proliferated in the telecommunications market.⁵ It also concluded that retention
17 of the scripting requirement for AT&T, at a federal level, did not promote the
18 public interest and could be harmful to competition.⁶

19 These conclusions are equally valid for Illinois. As I previously indicated,
20 there are more than 60 LD providers in Illinois, and a stream of advertising
21 assures that consumers and businesses remain aware that they have choices for
22 telecommunications services. In summary, elimination of the EA scripting
23 requirement in Section 773.140(b) will in no way impede the competitive market
24 that has already developed.

⁴ Indeed, the FCC found in its recent forbearance order that the interLATA EA scripting requirement can "confuse or mislead consumers." FCC Long Distance Order, ¶122.

⁵ FCC Long Distance Order, ¶121.

⁶ FCC Long Distance Order, ¶124.

1 **Q. HAVE ANY STATE COMMISSIONS THAT HAD AN INTRALATA TOLL**
2 **EQUAL ACCESS DISCLOSURE ELIMINATED THAT REQUIREMENT**
3 **SINCE THE FCC LONG DISTANCE ORDER?**
4

5 A. Since the FCC Long Distance Order was released on August 31, 2007, AT&T has
6 applied for, and received, waivers of state EA scripting requirements in Ohio and
7 Missouri. In addition, we have filed waiver petitions in several other states,
8 including Wisconsin and Florida, but the commissions in those states have not yet
9 ruled.

10
11 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**
12

13 A. Yes.
14